

WS-01303A-06-0491 ORIGINAL



0000073369

ARIZONA CORPORATION COMMISS

UTILITY COMPLAINT FORM

4700

Investigator: Trish Meeter

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion

No. 2007 - 60546

Date: 5/24/2007

Complaint Description:

08A Rate Case Items - Opposed

N/A Not Applicable

First:

Last:

Complaint By:

Thomas

Austin

Account Name:

Home: (000) 000-0000

Street:

Work:

City:

CBR:

State:

Zip:

is:

Utility Company:

Arizona - American Sewer Company

Division:

sewer

Contact Name:

Contact Phone:

Nature of Complaint:

05/24/07

CORRESPONDENCE: DOCKET NO. WS-01303A-06-0491

Arizona Corporation Commission

DOCKETED

May 20, 2007

MAY 25 2007

Arizona Corporation Commission  
Utilities Division  
1200 West Washington  
Phoenix, AZ 85007

DOCKETED BY

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AZ CORP COMMISSION  
DOCKET CONTROL

2007 MAY 25 P 2:39

RECEIVED

RE: Proposed rate increase from Arizona American Water Co. for wastewater for (Sun City West, AZ

Before beginning please refer to a recent water bill from Arizona American Water Co. that I have attached to this letter. We shall use this statement for reference to explain issues mentioned herein.

We have lived in Sun City West for 4 years since moving from Atlanta. During this time I have made several calls to Arizona American Water Company in Illinois to discuss the water rates and methods of determining the wastewater consumption since it has always been calculated with a fixed rate as evidenced by the attached statement of April to May of 2007.

I could never get Arizona American Water to understand the concept of each customer paying for the wastewater used and hence sewage system cost by the amount of water each household puts into the sewer. This can easily be determined by taking the total amount of water consumed and subtracting the amount used for irrigation. However, Arizona American Water Co. doesn't bill that way because they use a fixed rate for the sewer system rather than an actual consumption that goes and is measured to the sewer system. I went so far as to request another water meter in the line for the irrigation system at our home and then it could be measured. However, Arizona American Water Co. refused saying that they had never done it that way and in fact billed on a fixed rate system that was and is really an estimate of the actual water going to the sewer

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system. Thus this type billing is quite inaccurate. Our household's irrigation water is a larger amount than that sent to the sewer but we are charged a flat fee and thus can do nothing but pay for water that never sees the sewer. I continue to discuss this situation with Arizona American Water Co. and continue to request a second meter like we had in Ohio, Pennsylvania, California, Indiana and Georgia before moving to Arizona. If there were another meter in the line we could all determine how much water was going to each location. Now we cannot. If we cannot measure the water going to the sewer system or to irrigation how can we raise the wastewater rates?

A separate but related issue is the Arsenic recovery or reduction to Federal Standards that Arizona American Water Co. has installed during the last 6 months. When this program started AZ American Water Co. stated in writing to all its customers that there would be no additional charge for this update. Now we have a \$7 per month surcharge for the Arsenic requirement placed on the AZ American Water Co. and we have been notified by the AZ American Water Co. that costs will be re-evaluated in November / December time frame and adjustments will be made accordingly at that time.

Since this water Company previously mentioned is currently up for sale I wonder, and so should you, if all these aforementioned charges are an attempt to improve the balance sheet and financial statement for the sale and thus increase the Company's financial worth to justify a higher dollar sale. Are, in fact, all these attempts at increasing water usage costs focused on increasing the value of the Company before it is sold?

Sincerely,

Thomas J. Austin

Ragnhild G. Austin

  
\*End of Complaint\*

### Utilities' Response:

### Investigator's Comments and Disposition:

04/24/07

May 24, 2007

RE: ARIZONA AMERICAN WATER COMPANY

Dear Mr. Austin:

Your letter regarding the Arizona American Water Company (AAWC) rate case will be placed on file with the Docket Control Center of the Arizona Corporation Commission (Commission) to be made part of the record. The Commission will consider your comments before a decision is rendered in the AAWC application.

Your reference to the Arsenic Recovery Charges listed on your bill from the Company have been approved in Decision No. 69173, and after reviewing, is found to have been billed according to the approved tariff. You can view this Decision on our website at [www.azcc.gov](http://www.azcc.gov) by scrolling to the page bottom and clicking on Edocket at the far right of the page. The Docket No. to use in your search is WS-01303A-05-0280.

I have sent your inquiry to the Company to address the issue of notices sent to their customers regarding the monthly surcharge.

In reviewing our data base, no application has been filed with the Commission for a sale or transfer of assets by the Company.

The concerns raised in letters received from customers will assist the Commission in the investigation and review of the rate application. The Commission's independent analysis of the utility and its rate request attempts to balance the interest of the utility and its customers.

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Commission Staff is very sensitive to the burden that high utility rates can place on the consumer, and though constitutionally required to allow a fair return to the utility, does everything within its authority to protect the consumer.

Staff appreciates your comments and the interest taken on the proposed rate increase. If you should have any questions relating to this issue, please call me directly at [REDACTED]

Sincerely,

Trish Meeter  
Consumer Service Specialist  
Utilities Division  
\*End of Comments\*

Date Completed: 5/24/2007

Opinion No. 2007 - 60546

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